

## CLARK COUNTY STAFF REPORT

**DEPARTMENT:** Information Technology

**DATE:** 07/20/2021

**REQUESTED ACTION:** Approve ARPA funding for the Network Infrastructure Refresh.

  X   Consent       Hearing       County Manager

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### BACKGROUND

Between 2015-2017 the Clark County Council provided Information Technology with approximately \$4,000,000 to complete an upgrade of all County network equipment and the phone system. This included the replacement of all devices that connect our computers together, allow us to connect to our data, as well as our wireless network. The equipment purchased during those years will begin to reach it's end of life in the upcoming couple of years. All that equipment will need to be replaced as it will be past the end of life as defined by the manufacturer.

We are requesting \$8,745,000 in ARPA funds, and equal budget spend authority, to complete a full refresh of the Clark County network infrastructure. The use of ARPA funds for needed technology improvement was approved in the Council Work Session on June 30<sup>th</sup> 2021. It is important that the purchase of hardware, software and support is made before the end of July 2021 in order to obtain the complete volume of discounts being offered to the County. July is the end of the fiscal year for the vendor which has given the County access to a unique level of discounts. Additionally, we want to move quickly on this project to obtain all the benefits of this purchase as soon as possible.

Performing this infrastructure refresh will provide several significant benefits to the County.

- With increased remote work continuing, and the explosion of ransomware attacks nationwide, Clark County's network has never been at more risk for cyber related attacks.
  - The new generation of network equipment will provide Clark County will more resiliency against hackers. It has added features our current network equipment does not have to help protect against and identify cyberattacks. It limits a hacker's ability to spread ransomware to all departments by providing more segmentation of our network.
  - The new generation equipment also uses machine learning to identify potential cyber issues and automatically take steps to limit a hacker's access.
- With current, and past, budget limitations it has been difficult to build a funding source for network equipment replacement.
  - This purchase would allow Clark County to push the due date of the next hardware replacement out approximately another ten (10) years. This would allow us to work with the County Manager to plan and develop a funding source for future replacements.
  - We will also bring in supplemental contract or project term human resources to ensure we can complete the project in a timely manner. Clark County is not staffed

to do this project along with all the other tasks/project already scheduled. We want to ensure the County can take advantage of all the benefits as quickly as possible.

- White House Executive Order (EO) from May 12th 2021, “Executive Order on Improving the Nation’s Cybersecurity” mandated the implementation of a “Zero Trust Architecture”. In Section 3 “Modernizing Federal Government Cybersecurity” of the EO it states, “The Federal Government must adopt security best practices; advance toward Zero Trust Architecture...”. Our goal is for Clark County to implement the same best practices.
  - The latest network hardware and software will allow Clark County to implement the Zero Trust Architecture which further limits a hacker’s access.
- Future projected budget limitations will require IT to complete more work with largely the same staffing levels.
  - The new generation of network equipment will provide IT with many ways to make the network team more efficient with new tools. It will provide IT with ways to automate some network related tasks that today require human interaction.

#### Total Project Costs (tax included)

- \$8,745,000
  - Hardware, software and 5 Years of Support
    - \$7,285,000
  - Human Resources
    - \$1,180,000
      - From Vendor
        - Professional Services – Network Refresh
          - \$305,000
          - 1 resource for 1 year
        - Professional Services – ACI Implementation
          - Free
          - 1 resource for duration of implementation
          - Savings of \$254,000
        - Staff Augmentation – Network Administrator
          - \$687,000
          - 2 resources for 1 year
      - From Clark County
        - Project Manager
          - \$188,000
          - 1 project term resource for 1 year
    - Contingency
      - \$280,000
        - The standard contingency on a project this size is between 10-20%. The costs of this project are more well defined, so we are recommending a smaller percentage of contingency. Roughly 3.9% to cover any items that have been missed in the design phase.
        - Contingency was only calculated off the hardware/software costs.

#### Ongoing Costs

- Year 6 - Renewal of support

- This is a cost that we already have today with our current equipment. It is possible this cost will be increased with the newest generation of equipment.
- We will develop a plan to cover the renewal of support that will apply to us in years 6 through 10.
- Year 10 – Hardware replacement
  - We will need to work on finding funding ahead of year 10 for the future replacement of the network hardware that is purchased as part of this request.

#### Risks of Request Denial or Adjustments

- If this request is split across the 2021 and 2022 ARPA funding, Clark County can expect to pay between 15% to 20% more for the total project.
  - Discounts will not be as significant as it will span two fiscal years for the vendor.
  - In addition, prices of some equipment will likely increase between the first purchase and the 2nd purchase.
- Denial of the use of ARPA funding will mean replacement of this hardware will need to be made with requests for budget from the General Fund over the next two years.
- The County will miss out on an opportunity for a significant improvement to the security of our infrastructure.
- The County will continue to lag behind other similar sized local government agencies in the area of network security.

#### **COUNCIL POLICY IMPLICATIONS**

None

#### **ADMINISTRATIVE POLICY IMPLICATIONS**

None

#### **COMMUNITY OUTREACH**

None

#### **BUDGET IMPLICATIONS**

YES	NO	
	X	Action falls within existing budget capacity.
	X	Action falls within existing budget capacity but requires a change of purpose within existing appropriation
X		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

## BUDGET DETAILS

Local Fund Dollar Amount	1041 –ARPA Fund
Grant Fund Dollar Amount	
Account	
Company Name	

## DISTRIBUTION:

Council staff will post all staff reports to The Web. <https://www.clark.wa.gov/council-meetings>

Mike Sprinkle 07/13/21

Mike Sprinkle  
Director of Information Technology

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APPROVED: Eileen J. O'Brien

CLARK COUNTY, WASHINGTON  
CLARK COUNTY COUNCIL

DATE: July 20, 2021

SR# SR 125-21

APPROVED: \_\_\_\_\_

Kathleen Otto, County Manager

DATE: \_\_\_\_\_



## BUDGET IMPACT ATTACHMENT

### Part I: Narrative Explanation

I. A – If approved all ARPA funds will be used from the ARPA Fund 1041. A total of \$8,745,000 will be used to purchase hardware, software, 5 years of support, professional services and additional temporary staffing.

### Part II: Estimated Revenues

Fund #/Title	2020 Annual Budget		2021 Annual Budget		2022 Annual Budget	
	GF	Total	GF	Total	GF	Total
1041 – American Rescue Plan				7,679,000		1,066,000
<b>Total</b>				7,679,000		1,066,000

II. A – Describe the type of revenue (grant, fees, etc.)

### Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	2020 Annual Budget		2021 Annual Budget		2022 Annual Budget	
		GF	Total	GF	Total	GF	Total
1041 – American Rescue Plan					7,679,000		1,066,000
<b>Total</b>					7,679,000		1,066,000

III. B – Expenditure by object category

Fund #/Title	2020 Annual Budget		2021 Annual Budget		2022 Annual Budget	
	GF	Total	GF	Total	GF	Total
Salary/Benefits				63,000		125,000
Contractual				7,387,000		203,000
Supplies						
Travel						
Other controllables				229,000		738,000
Capital Outlays						
Inter-fund Transfers						
Debt Service						
<b>Total</b>				7,679,000		1,066,000